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# HOUSE BILL No. 1226

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 27-8-13.5; IC 27-13.

**Synopsis:** Mandated health benefit option. Allows, under certain circumstances, an accident and sickness insurer or a health maintenance organization to offer a policy or contract that does not include all state mandated health benefits.

**Effective:** July 1, 2004.

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January 15, 2004, read first time and referred to Committee on Insurance, Corporations and Small Business.

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Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## HOUSE BILL No. 1226

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 27-8-13.5 IS ADDED TO THE INDIANA CODE  
2       AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3       JULY 1, 2004]:

4       **Chapter 13.5. State Mandated Health Benefit Option**

5       **Sec. 1. As used in this chapter, "insurer" refers to an insurer (as**  
6       **defined in IC 27-1-2-3) that issues or delivers a policy of accident**  
7       **and sickness insurance.**

8       **Sec. 2. (a) As used in this chapter, "state mandated health**  
9       **benefit" means:**

10       **(1) coverage for a particular condition or treatment that must**  
11       **be provided in; or**

12       **(2) an offering of coverage for a particular condition or**  
13       **treatment that must be made in connection with the purchase**  
14       **of;**

15       **a policy of accident and sickness insurance under this title, except**  
16       **as provided in this chapter.**

17       **(b) The term does not include coverage that must be provided**

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in a policy of accident and sickness insurance under federal law.

Sec. 3. As used in this chapter, "policy of accident and sickness insurance" has the meaning set forth in IC 27-8-5-1.

Sec. 4. As used in this chapter, "prospective purchaser" means an:

(1) individual who requests coverage under a policy of accident and sickness insurance issued on an individual basis; or

(2) employer that:

(A) employs not more than fifty (50) employees; and

(B) requests coverage for the employer's employees under a policy of accident and sickness insurance issued on a group basis.

Sec. 5. An insurer may offer to a prospective purchaser a policy of accident and sickness insurance that does not include all state mandated health benefits if the policy includes the following:

(1) Newborn coverage required under IC 27-8-5.6.

(2) Breast cancer screening related coverage required under IC 27-8-14.

(3) Prostate cancer screening related coverage required under IC 27-8-14.7.

(4) Colorectal cancer screening related coverage required under IC 27-8-14.8.

Sec. 6. An insurer that offers to a prospective purchaser a policy of accident and sickness insurance described in section 5 of this chapter shall also offer to the prospective purchaser a policy of accident and sickness insurance that includes all state mandated health benefits.

Sec. 7. An insurer that issues or delivers a policy of accident and sickness insurance that does not include all state mandated health benefits as described in section 5 of this chapter shall provide to an individual insured under the policy of accident and sickness insurance a written disclosure that:

(1) acknowledges that the policy of accident and sickness insurance does not include all state mandated health benefits; and

(2) lists in summary form the state mandated health benefits that are provided in the policy of accident and sickness insurance.

SECTION 2. IC 27-13-1-27.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 27.8. "Prospective purchaser"

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means an:

- (1) individual who requests coverage under an individual contract; or
- (2) employer that:
  - (A) employs not more than fifty (50) employees; and
  - (B) requests coverage for the employer's employees under a group contract.

SECTION 3. IC 27-13-1-31.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 31.5. (a) "State mandated health benefit" means:

- (1) coverage for a particular condition or treatment that must be provided in; or
- (2) an offering of coverage for a particular condition or treatment that must be made in connection with the purchase of;

an individual contract or a group contract under this title, except as provided in IC 27-13-7.5.

(b) The term does not include coverage that must be provided in an individual contract or a group contract under federal law.

SECTION 4. IC 27-13-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004]:

#### **Chapter 7.5. State Mandated Health Benefit Option**

**Sec. 1.** A health maintenance organization may offer to a prospective purchaser an individual contract or a group contract that does not include all state mandated health benefits if the contract includes the following:

- (1) Newborn coverage that is substantially similar to the coverage required under IC 27-8-5.6.
- (2) Breast cancer screening related coverage required under IC 27-13-7-15.3.
- (3) Prostate cancer screening related coverage required under IC 27-13-7-16.
- (4) Colorectal cancer screening related coverage required under IC 27-13-7-17.

**Sec. 2.** A health maintenance organization that offers to a prospective purchaser an individual contract or a group contract described in section 1 of this chapter shall also offer to the prospective purchaser an individual contract or a group contract that includes all state mandated health benefits.

**Sec. 3.** A health maintenance organization that enters into an

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- 1 individual contract or a group contract that does not include all  
2 state mandated health benefits as described in section 1 of this  
3 chapter shall provide to an enrollee a written disclosure that:  
4 (1) acknowledges that the individual contract or group  
5 contract does not include all state mandated health benefits;  
6 and  
7 (2) lists in summary form the state mandated health benefits  
8 that are provided in the individual contract or group contract.

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